
Introduced by Senator Vincent

February 21, 2003

An act to amend Section 19801 of the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

SB 814, as introduced, Vincent. Gambling.

Existing law declares that the public policy of this state disfavors gambling and prohibits gambling as specified. Existing law also declares that no person in this state has a right to operate a gambling enterprise except as expressly permitted by law, and that gambling activities that are not expressly prohibited or regulated by state law may be prohibited or regulated by local government.

This bill would make a nonsubstantive change in these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19801 of the Business and Professions
2 Code is amended to read:
3 19801. The Legislature hereby finds and declares all of the
4 following:
5 (a) The longstanding public policy of this state disfavors the
6 business of gambling. State law prohibits commercially operated
7 lotteries, banked or percentage games, and gambling machines,
8 and strictly regulates parimutuel wagering on horse racing. To the
9 extent that state law categorically prohibits certain forms of
10 gambling and prohibits gambling devices, nothing herein shall be

1 construed, in any manner, to reflect a legislative intent to relax
2 those prohibitions.

3 (b) Gambling can become addictive and is not an activity to be
4 promoted or legitimized as entertainment for children and
5 families.

6 (c) (1) Unregulated gambling enterprises are inimical to the
7 public health, safety, welfare, and good order. Accordingly, no
8 person in this state has a right to operate a gambling enterprise
9 except as may be expressly permitted by the laws of this state and
10 by the ordinances of local governmental bodies.

11 (2) The State of California has permitted the operation of
12 gambling establishments for more than one hundred years.
13 Gambling establishments were first regulated by the State of
14 California pursuant to legislation which was enacted in 1984.
15 Gambling establishments currently employ more than twenty
16 thousand people in the State of California, and contribute more
17 than one hundred million dollars in taxes and fees to California's
18 government. Gambling establishments are lawful enterprises in
19 the State of California, and are entitled to full protection of the
20 laws of this state. The industry is currently in significant decline,
21 with more than half the gambling establishments in this state
22 closing within the past four years.

23 (d) It is the policy of this state that gambling activities that are
24 not expressly prohibited or regulated by state law may be
25 prohibited or regulated by local government. Moreover, it is the
26 policy of this state that no new gambling establishment may be
27 opened in a city, county, or city and county in which a gambling
28 establishment was not operating on and before January 1, 1984,
29 except upon the affirmative vote of the electors of that city, county,
30 or city and county.

31 (e) It is not the purpose of this chapter to expand opportunities
32 for gambling, or to create any right to operate a gambling
33 enterprise in this state or to have a financial interest in any
34 gambling enterprise. Rather, it is the purpose of this chapter to
35 regulate businesses that offer otherwise lawful forms of gambling
36 games.

37 (f) Public trust that permissible gambling will not endanger
38 public health, safety, or welfare requires that comprehensive
39 measures be enacted to ensure that such gambling is free from



1 criminal and corruptive elements, that it is conducted honestly and
2 competitively, and that it is conducted in suitable locations.

3 (g) Public trust and confidence can only be maintained by strict
4 and comprehensive regulation of all persons, locations, practices,
5 associations, and activities related to the operation of lawful
6 gambling establishments and the manufacture ~~or~~ and distribution
7 of permissible gambling equipment.

8 (h) All gambling operations, all persons having a significant
9 involvement in gambling operations, all establishments where
10 gambling is conducted, and all manufacturers, sellers, and
11 distributors of gambling equipment must be licensed and regulated
12 to protect the public health, safety, and general welfare of the
13 residents of this state as an exercise of the police powers of the
14 state.

15 (i) To ensure that gambling is conducted honestly,
16 competitively, and free of criminal and corruptive elements, all
17 licensed gambling establishments in this state must remain open
18 to the general public and the access of the general public to
19 licensed gambling activities must not be restricted in any manner,
20 except as provided by the Legislature. However, subject to state
21 and federal prohibitions against discrimination, nothing herein
22 shall be construed to preclude exclusion of unsuitable persons
23 from licensed gambling establishments in the exercise of
24 reasonable business judgment.

25 (j) In order to effectuate state policy as declared herein, it is
26 necessary that gambling establishments, activities, and equipment
27 be licensed, that persons participating in those activities be
28 licensed or registered, that certain transactions, events, and
29 processes involving gambling establishments and owners of
30 gambling establishments be subject to prior approval or
31 permission, that unsuitable persons not be permitted to associate
32 with gambling activities or gambling establishments, and that
33 gambling activities take place only in suitable locations. Any
34 license or permit issued, or other approval granted pursuant to this
35 chapter, is declared to be a revocable privilege, and no holder
36 acquires any vested right therein or thereunder.

37 (k) The location of lawful gambling premises, the hours of
38 operation of those premises, the number of tables permitted in
39 those premises, and wagering limits in permissible games
40 conducted in those premises are proper subjects for regulation by

1 local governmental bodies. However, consideration of those same
2 subjects by a state regulatory agency, as specified in this chapter,
3 is warranted when local governmental regulation respecting those
4 subjects is inadequate or the regulation fails to safeguard the
5 legitimate interests of residents in other governmental
6 jurisdictions.

7 (l) The exclusion or ejection of certain persons from gambling
8 establishments is necessary to effectuate the policies of this
9 chapter and to maintain effectively the strict regulation of licensed
10 gambling.

11 (m) Records and reports of cash and credit transactions
12 involving gambling establishments may have a high degree of
13 usefulness in criminal and regulatory investigations and,
14 therefore, licensed gambling operators may be required to keep
15 records and make reports concerning significant cash and credit
16 transactions.

